GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4908
ANSWERED ON:10.05.2007
MARKETING OF LPG BY ONGC AND GAIL
Sarvey Shri Sathyanarayana

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government proposes to allow ONGC and GAIL to market domestic LPG to increase penetration of the clean cooking fuel;

(b) if so, the steps taken in this regard ;

(c) the present status of dealers existing State-wise and company-wise ; and

(d) the number of LPG beneficiaries from each dealer State-wise ?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHAPATEL)

(a)&(b): The Government had,in February,2005 granted authorization for marketing of indigenously produced LPG to Oil and Natural Gas Corporation (ONGC) and GAIL India Limited (GAIL), subject to certain terms and conditions. The terms and conditions of this authorization were further modified in August 2005.
At present, a large proportion of available LPG is supplied as subsidized domestic LPG in the country. In 2006-07, about 92.51% of total available LPG was marketed as subsidized LPG. Subsidized LPG is marketed by the oil marketing companies (OMCs), namely Indian Oil Corporation Ltd.(IOC), Bharat Petroleum Corporation Ltd. (BPC) and Hindustan Petroleum Corporation Ltd.(HPC). In addition to the Government subsidy, the oil companies share the burden of subsidizing this product. The new entrants wanted to market commercial / industrial LPG and also wanted subsidy on domestic LPG.
The operational issues related to LPG marketing by new entrants were examined, and considering, inter-alia, the present mechanism of meeting the subsidy on domestic LPG, which constitutes a major proportion of the total LPG marketed in the country, it has been decided not to expand the list of companies marketing LPG for the present.

(c)&(d): As on 1.4.2007,3 Public Sector Oil Marketing Companies (OMCs), namely IOC, Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) were operating 9363 LPG distributorships in the country.Through these distributorships,OMCs are serving about 942.6 lakhs LPG customers in the country. The State-wise/company-wise details are at Annex-I and Annex-II.